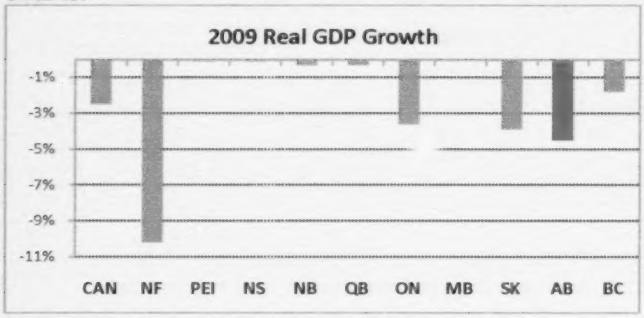
Real GDP, 2009

Alberta suffered the worst downturn since 1981 …

The downturn in 2009 was widespread and steep. Alberta recorded the second largest decline in real GDP among the provinces. Real GDP in Alberta declined by 4.5% in 2009 after growing by 1.7% in 2008 and 1.4% in 2007. Led by weakness in oil and gas, business investment dropped 27% and exports by 7.1%. However, government investment rose by 16.1% in 2009, the only major expenditure category to record an increase. Despite the fall in exports, net trade balance was positive as imports fell more than exports. Corporate profits decreased by almost 58%, while personal investment income fell by 12.3%. Wages and salaries fell marginally (-0.1%), resulting in a 0.5% drop in personal income. Real GDP in Canada dropped 2.5%, as mild declines in the Atlantic provinces and Quebec partially offset sharp declines in Newfoundland, Alberta, Saskatchewan and Ontario.



Labour Force Developments

Alberta records strongest employment growth in two years in October…

Employment in Alberta rose by 17,000 (0.8%) in October, with gains in both part-time (14,000) and full-time (3,000) positions. October's gain was the largest monthly gain in two years, and the strongest in the country. On a year-over-year basis, employment in Alberta was 2.5% higher in October, slightly above the national average of 2.2%. Even with an increase of 15,000 (0.7%) in the labour force, Alberta's unemployment rate dropped 0.2 percentage points to 6.0% in October, the lowest since February 2009. Alberta continues to have the third lowest unemployment rate among the provinces behind Manitoba (5.2%) and Saskatchewan (5.7%) and signficantly lower than the national average of 7.9%. On an industry basis, job gains were recorded in both the goods-producing (8,800) and services-producing (8,300) sectors, with notable gains occuring in health, business, building and other support services and construction.

↑	**Canadian Dollar (US¢/C$)**	
	November 5, 2010	99.85
	October 29, 2010	98.15
	2010-11 YTD	97.08
↑	**WTI Oil US$/bbl**	
	November 4, 2010	$ 86.49
	October 28, 2010	$ 82.18
	2010-11 YTD	$ 77.99
↓	**Nymex Natural Gas C$/MMBtu***	
	Near-month Contract	
	November 5, 2010	$3.87
	October 29, 2010	$4.06

*Estimate based on Nymex Futures Market Price

Canadian employment rose slightly by 3,000 in October, following a slight decline in September. Employment continued to shift from part-time (-44,000) to full-time (47,000) positions in October. The Canadian unemployment rate edged down 0.1 percentage points to 7.9% in October.

US employment rose by 151,000 in October, much higher than expectations. Employment in the private sector rose by 159,000 in October, which is a positive sign. However, the US unemployment rate remained unchanged at 9.6% due to growth in the labour force.

Building Permits

Value of permits essentially flat in September…

The value of building permits issued in September in Alberta declined by 0.3% (seasonally adjusted) from a month earlier to just over $849 million, and was 10.7% lower than a year earlier. The monthly decline was in non-residential permits which fell by 2.1%, while residential permits were up 1.1%.

Global Monetary Policy

US launches second round of quantitative easing…

As expected, the US Federal Reserve Board announced that it will purchase US$600 billion of US Treasuries or about $75 billion per month between now and June 2010. In addition, it will repurchase between $250 to $300 billion of its maturing mortgage portfolio. This action, known as quantitative easing (QE), is expected to boost growth and curb deflationary pressures. The Fed indicated that it is ready to make adjustments to its QE if required. In contrast, monetary policy is on hold in Europe and being tightened in emerging markets. The divergence in monetary policy is likely to impact currencies and global capital flows. The US dollar has already depreciated against most major currencies. The Canadian dollar has gained strength in recent days and hit parity with the US dollar today before closing slightly lower.

Current Economic Indicators

	2008	2009	2010Ytd	May	Jun	Jul	Aug	Sep	Oct
Population									
Population1 (000's) (level)	3,591	3,671	3,721	--	--	3,721	--	--	--
% change	2.2	2.2	1.4	--	--	1.4	--	--	--
Net Interprovincial Migraton1 (level)	15,317	13,184	-2,183	--	--	2,820	--	--	--
Net International Migration1 (level)	15,641	16,835	21,533	--	--	8,035	--	--	--
Net Non-permanent Residents1 (level)	18,611	19,162	-77	--	--	-753	--	--	--
Labour Market									
Employment (000's) NEW!	2,013	1,988	1,994	1,994	2,000	2,009	2,004	2,004	2,021
% change	2.8	-1.3	0.2	0.3	0.6	1.1	1.1	0.8	2.5
Unemployment Rate (%) NEW!	3.6	6.6	6.7	6.6	6.7	6.3	6.5	6.2	6.0
Participation Rate (%) NEW!	74.7	74.3	73.1	73.2	73.3	73.1	73.0	72.7	73.1
Average Weekly Earnings ($)	923.21	950.13	988.10	985.03	994.21	985.81	1004.11	--	--
% change	6.0	2.9	4.2	4.4	4.2	4.7	7.5	--	--
Price Indices									
Consumer Price Index	3.2	-0.1	1.1	1.1	0.6	1.5	0.6	0.9	--
Excluding food and energy	2.1	1.4	0.8	0.9	0.7	0.8	0.5	0.2	--
Non-Res. Const. Cost Index2 (quarterly)	13.2	-9.8	-2.3	--	0.6	--	--	--	--
Farm Product Price Index	12.9	-10.6	-10.8	-8.9	-9.4	-7.0	-6.4	--	--
Crops	30.1	-18.9	-23.7	-26.1	-25.3	-24.1	-24.1	--	--
Livestock	1.9	-2.8	-0.1	3.4	3.8	7.2	8.1	--	--
Household Sector									
Housing Starts (SAAR, 000's)	29.2	20.0	28.5	29.6	26.9	29.9	24.4	28.9	--
% change	-39.6	-31.6	68.5	107.0	32.5	54.1	17.9	17.5	--
New Housing Price Index	0.7	-9.0	0.2	1.6	1.9	1.5	1.5	--	--
Edmonton	1.0	-11.2	-1.6	-0.1	0.6	0.2	0.5	--	--
Calgary	0.6	-6.7	2.0	3.1	3.2	2.7	2.4	--	--
MLS Average Resale Prices ($ 000's)	351.4	340.5	351.9	355.5	345.4	352.2	347.2	356.8	--
% change	-1.5	-3.1	4.8	7.1	4.0	3.1	-0.5	0.4	--
Edmonton	330.8	319.1	325.4	317.9	303.9	323.2	325.7	333.7	--
% change	-2.0	-3.5	3.4	4.4	2.1	1.5	2.6	-0.7	--
Calgary	401.1	384.3	399.6	411.5	403.8	402.7	392.1	405.3	--
% change	-2.9	-4.2	5.2	9.2	5.8	5.5	-0.8	1.6	--
Retail Sales3	0.2	-8.3	4.9	2.1	3.8	4.5	5.1	--	--
New Motor Vehicle Sales	-7.3	-21.7	10.2	4.7	13.2	10.2	14.6	--	--
Consumer Bankruptcies	6,066	9,986	5,532	672	778	626	615	--	--
% change	27.2	64.6	-18.8	-20.7	-23.8	-28.2	-30.3	--	--
Business Sector									
Rigs Drilling	236	128	194	56	118	199	222	177	260
% change	-2.1	-45.6	67.0	76.4	99.0	135.2	130.3	59.3	101.4
Goods Exports (customs based)	35.0	-36.3	17.0	47.0	15.1	8.7	13.7	--	--
Energy	43.2	-40.1	26.5	77.5	20.6	8.8	15.7	--	--
Agriculture	31.8	-10.2	-13.9	-5.0	-9.0	-3.4	-8.4	--	--
Total Farm Cash Receipts (quarterly)	17.2	-8.1	-17.3	--	--	--	--	--	--
Manufacturing Shipments	6.9	-23.7	8.1	13.7	10.8	12.5	14.6	--	--
Wholesale Trade4	9.5	-15.9	5.7	7.5	8.4	12.5	20.8	--	--
Building Permits NEW!	-16.5	-14.2	16.2	-11.8	32.5	10.1	3.5	-10.7	--
Residential	-31.5	-11.8	42.9	90.9	53.0	19.4	-12.1	-19.6	--
Non-residential	3.7	-16.3	-9.3	-57.7	14.4	-3.0	39.2	7.2	--
Business Bankruptcies	447	405	257	35	23	27	30	--	--
% change	-0.4	-9.4	-5.9	2.9	-30.3	-22.9	-9.1	--	--

Government of Alberta ■
Finance and Enterprise

Alberta ■

* YTD – year-to-date represents the change since the beginning of the year compared to the same period in the previous year.

[1] Quarterly; annual numbers are presented on a census year basis (July 1 - June 30).

[2] Average of Calgary and Edmonton

[3] The Retail Sales series was revised on April 23, 2010 and is no longer comparable with numbers in previous Bulletins.

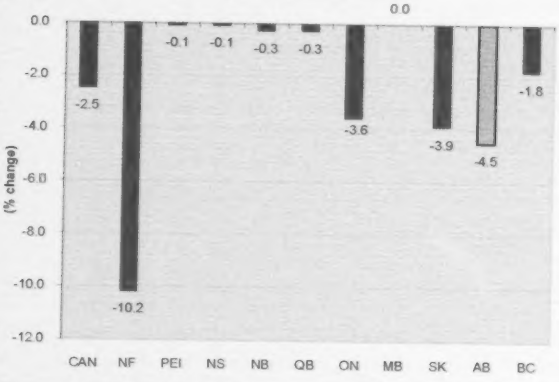
[4] The Wholesale Trade series was revised on April 21, 2010 and is no longer comparable with numbers in previous Bulletins.

Sources: All data is from Statistics Canada except Housing Starts (Canada Mortgage and Housing Corporation), MLS Average Resale Prices (Canadian Real Estate Association), Rigs Drilling (Canadian Association of Oilwell Drilling Contractors) and Bankruptcies (Office of the Superintendent of Bankruptcy Canada).

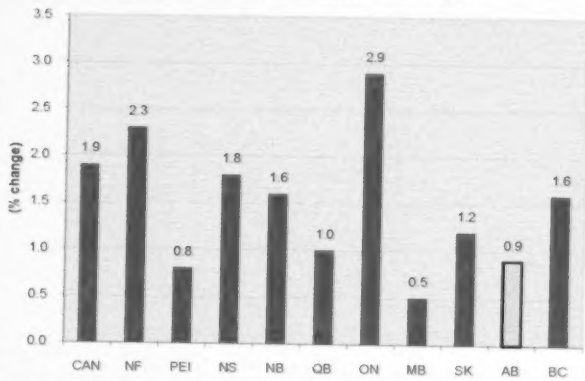
Current Economic Indicators by Province

NEW!

Real GDP Growth
(2009 year-over-year growth,)

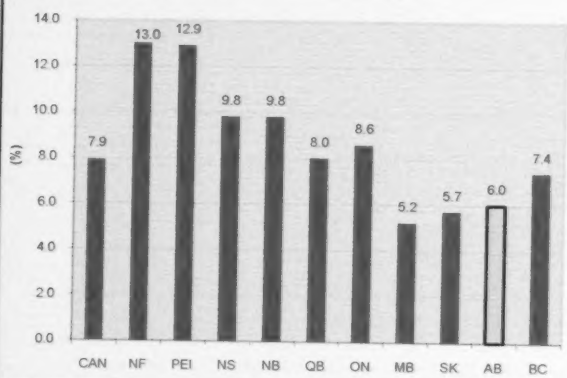


CPI Inflation
(September year-over-year % change)



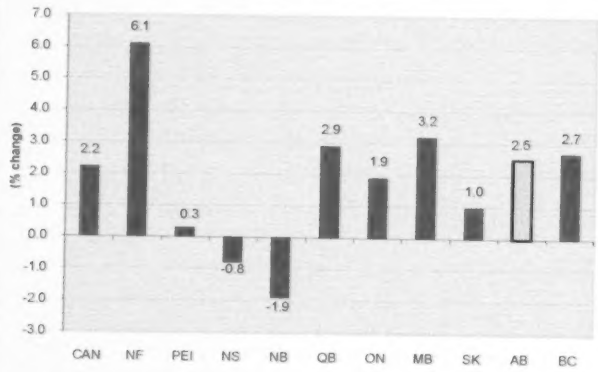
NEW!

Unemployment Rate
(October 2010, Seasonally Adjusted)

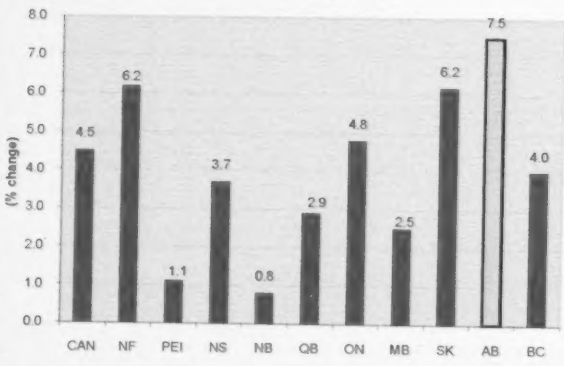


NEW!

Employment
(October year-over-year growth)



Average Weekly Earnings
(August year-over-year growth)



Housing Starts
(SAAR September 2010)